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VIA EMAIL

California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512
Attn: EPS@energy.state.ca.us

January 21, 2010

In accordance with Cal. Code Regs., Title 20, § 2908(a)-(c), the Northern California Power Agency is hereby providing notice of a public meeting to discuss those matters listed in the attached Agenda.

- Name of Governing Body: Northern California Power Agency
- Date: Thursday, January 28, 2010
- Time: 9:00 AM
- Location: Doubletree Hotel, 2001 Point West Way, Sacramento, CA (Salon 1/2/3)
- Wheelchair accessible? Yes
- Remote Access: No
- Contact for public for further information:
Ken Speer, Assistant General Manager, Generation Services: 916-781-4201
or
Denise Dow, Executive Assistant, Office of the General Manager: 916-781-4202
- Description of investment(s) to be considered: The Northern California Power Agency will consider an approval of a Power Sale Agreement related to the financing, construction and operation of the Lodi Energy Center. The Lodi Energy Center is a 280 MW combined-cycle natural gas-fired, electric generating facility currently under review as part of the CEC's power plant licensing process (CEC Docket 08-AFC-10).
- Meeting agenda is attached.

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Agenda

Date: January 28, 2010

Subject: Commission Meeting

Location: Doubletree Hotel, 2001 Point West Way, Sacramento, CA
Salon 1/2/3

Time: 9:00 a.m.

The Commission may take action on any of the items listed on this agenda regardless of whether the matter appears on the consent calendar or is described as an action item, a report, or an information item. This agenda is supplemented by staff reports which are available to the public upon request. Pursuant to California Government Code Section 54957.5, the following is the location at which the public can view agendas and other public writings: NCPA Offices, 651 Commerce Drive, Roseville, CA.

1. Call Meeting to Order
2. Approve Minutes of the December 3, 2009 Commission Meeting and January 14, 2010 Special Commission Meeting

PUBLIC FORUM

Any member of the public who desires to address the Commission on any item considered by the Commission at this meeting before or during the Commission's consideration of that item shall so advise the Chair and shall thereupon be given an opportunity to do so. Any member of the public who desires to address the Commission on any item within the jurisdiction of the Commission and not listed on the agenda may do so at this time.

REPORTS AND COMMITTEE UPDATES

3. General Manager's Business Progress Report and Update
4. Executive Committee
5. Facilities Committee
6. Finance Committee
7. Legal Committee
8. Legislative & Regulatory Committee
9. Members' Announcements & Meeting Reporting

CONSENT CALENDAR

All items on the Consent Calendar are considered routine and will be approved without discussion by a single-roll call vote. Any Commissioner or member of the public may remove any item from the Consent Calendar. If an item is removed, it will be discussed separately following approval of the remainder of the Consent Calendar.

Prior to the roll call vote to approve the Consent Calendar, the Commissioners will be polled to determine if any Member wishes to abstain from one or more items on the Consent Calendar.

10. ***NCPA's Financials for the Months Ended November 30, 2009 and December 31, 2009*** – approval by all members.
11. ***Treasurer's Report for the Months Ended November 30, 2009 and December 31, 2009*** – accept by all members.
12. ***FY 2008-2009 Annual Financial Statements and Associated Audit Report and Letters*** – accept and file by all members. Fiscal Impact: no direct budget impact.
13. ***Resolution 10-06, FY 2008-2009 Annual Budget Settlements*** – adopt resolution by all members approving the FY 2008-2009 Annual Budget Settlements and attachments to the staff report. Fiscal Impact: none.
14. ***Resolution 10-03, Revised Contract Terms to Lease 3,797 Square-foot Space for the Disaster Recovery Center*** – adopt resolution by all members approving the revised lease agreement with Surewest, revisions as noted in the Staff Report. Fiscal Impact: costs associated with ADA compliance were originally estimated at \$60,000 - \$75,000. Additional costs will likely be required at an additional estimated cost \$15,000 - \$20,000 on tenant improvements required to meet NERC requirements. Funds are available in the current budget.
15. ***Resolution 10-04, Scheduling Coordination Program Agreement, Appendix B Revision*** – adopt resolution by the Program Participants approving a revised version of Appendix B in order to account for sundry changes resulting from the California Independent System Operator (CAISO) implementation of a payment acceleration initiative and standard resource adequacy capacity product, as well as operational refinements to Appendix B gained through experience with the recent implementation of the new CAISO market redesign. Fiscal Impact: no significant costs will be incurred.
16. ***Resolution 10-05, Worley Parsons Change Order – Construction Manager for Lodi Energy Center*** – adopt resolution by the Lodi Energy Center Project Participants approving Change Order Number Three with Worley Parsons for construction management services for the construction of the Lodi Energy Center. Impact: total cost of the project is not-to-exceed \$3,200,000. The project start amount is \$150,000 and is contained in the existing Phase II budget. The balance of the funds, \$2, 961,790, will come from the Phase III budget when approved. Should Phase III not be approved, the Final Notice to Proceed will not be issued to start.
17. ***Resolution 10-07, CT-2 Amended and Restated Ground Lease Agreement with the City of Lodi for the Lodi Energy Center*** – adopt resolution by the Lodi Energy Center Project Participants approving the amended and restated lease at a total cost of the lease at \$40,000 per year and with a 2.5% inflation increase. The term of the lease is for fifty years beginning in 1993. Fiscal Impact: funds for the lease will be included in the LEC Operations and Maintenance budget and the Phase II funds.

18. **Resolution 10-08, Agreement to Supply Recycled Water Supply – City of Lodi to the Lodi Energy Center** – adopt resolution by the Lodi Energy Center Project Participants approving an agreement with the City of Lodi for the recycled water supply to the Lodi Energy Center. Fiscal Impact: total cost is \$960,000 per year with a 2.5% inflation increase. The funds will be included in the LEC Operations and Maintenance budget. A \$300,000 one-time payment will come from the LEC Phase II and/or Phase III funds.
19. **Update on the CT-2 Administration Building Remodel and Warehouse Construction** – receive and file by all members the information on the status and expenditures of the CT-2 construction project.
20. **Resolution 10-09, CT-2 Warehouse Agreement with Plummerbuilt Construction, Change Order No. 1** – adopt resolution by the CT-2 Project Participants approving the change order to provide for the addition of the deluge/detection system for the ammonia storage tank. Fiscal Impact: amount not-to-exceed \$60,000. Funds are available in the 2009-2010 CT 2 budget.
21. **Resolution 10-10, Multi-Year Professional Service Agreement with Process Innovation** – adopt resolution by all members who are Plant Project Participants approving a five year agreement with Process Innovations, Inc. to install and provide onsite training to NCPA staff for the OSIsoft Software Purchase – Enterprise Program Agreement. Fiscal Impact: total cost is \$260,000 over five years. Necessary funds for the CT 1 & 2 have been budgeted this fiscal year. The FY 2010/11 budget will include implementation at the Hydro and the FY 2011/12 budget will include implementation at the Geothermal and LEC.
22. **Resolution 10-11, OSIsoft Enterprise Program Agreement for Plant Information (PI) Software Purchase** – adopt resolution by all members who are Plant Project Participants approving a five year Enterprise Program Agreement with OSIsoft, LLC for PI software to standardize and improve plant data at all of the NCPA plants. Fiscal Impact: cost is \$485,000 over five years. Funds in the amount of \$375,000 have been collected from participants per the 2009/10 budget approval process. The remainder of \$110,000 funds will be budgeted as appropriate for the applicable plant in the following five years beginning with FY 2010/11.
23. **Resolution 10-12, Geothermal Plant 2 Balance of Plant Supervisory Control (SCADA) and Data Acquisition System Integration** – adopt resolution by the Geothermal Project Participants approving an agreement with Segal Engineering and Technical Services for the procurement of professional services to integrate the balance of the Plant SCADA systems into the Unit #4 turbine control system servers as part of the Unit #4 Repowering Project. Fiscal Impact: not-to-exceed amount of \$150,000 that will be drawn from the Geothermal Encumbered Funds budget of \$523,500.
24. **Resolution 10-13, Geothermal Unit 4 Repowering Project, Turbine Case Repairs** – adopt resolution by the Geothermal Project Participants approving a change order with TurboCare, Inc. for the Unit 4 Turbine Case repair work. Fiscal Impact: not-to-exceed amount of \$477,877 covered by \$170,000 available in the Geothermal encumbered funds, \$50,000 available in the Geothermal FY 2010 O&M budget, and the remaining balance will be drawn from the Geothermal Maintenance Reserve account.
25. **Resolution 10-14, Geothermal Unit 4 Cooling Tower Repair Agreement** – adopt resolution by the Geothermal Project Participants approving an agreement with Alliance Cooling Products and Construction, Inc. to provide the necessary repairs in order to prevent power curtailments. Fiscal Impact: amount not-to-exceed \$330,000 which is included in the FY 2010/11 budget.

26. **Resolution 10-15, Energy Efficiency and Conservation Block Grant Program** – adopt resolution authorizing NCPA to coordinate and manage funds allocated to the Cities of Biggs, Gridley, Healdsburg, and Ukiah under the California Energy Commission's Energy Efficiency and conservation Block Grant Program. Fiscal Impact: none.

Consent Items pulled for discussion: _____

BUSINESS ACTION ITEMS

27. **Resolution 10-16, Acceptance of Phase IIa Power Management Cost Allocation Study and Power Management Cost Allocation Spreadsheet Model** – adopt resolution by all members accepting the Nexant Power Management Cost Allocation Study Phase IIa Report and deem it complete; and direct NCPA staff to incorporate the output of the NCPA Power Management Cost Allocation Spreadsheet Model as described in the staff report into the NCPA 2010-2011 Budget and subsequent budgets until otherwise directed by this Commission. Fiscal Impact: no fiscal impact; however a proforma allocation comparison is included in the output of the Cost Allocation Spreadsheet Model.
28. **Resolution 10-02, Execute the Lodi Energy Center Power Sale Agreement** – adopt resolution by all NCPA members approving the Power Sale Agreement relating to the financing, construction and operation of the LEC Combined Cycle 280 MW power plant, and authorizing the NCPA General Manager to execute the Power Sale Agreement (PSA) upon receiving the duly authorized copies of the PSA from each of the LEC participants. Fiscal Impact: the cost for the development and construction of the LEC is estimated at \$375.3 million and does not include any required reserve funds for debt service or other purposes. Each one of the indenture groups will be responsible for financing their share of any required reserve funds. Similar to the NCPA Phase III Agreement, the Phases I and II expenditures will be included in the financing by the Group A that includes the participating members of NCPA. Indenture Groups B and C will make their own decision regarding financing the Phases I and II costs. NCPA will conduct the financing for indenture Groups A and B. Indenture Group C (MID) will conduct its own financing.
29. **Resolution 10-17, Extension of Time for Issuance of Up to \$210.0 Million Fixed Rate Hydroelectric Refunding Project Bonds (2009 A & B) and Related Legal Documents** – adopt resolution by the Hydroelectric Project Participants extending the time of issuance of the Fixed Rate Hydroelectric Refunding Project Bonds to April 30, 2010. Supporting documents will not be ready until after the Finance Committee meets on January 26, 2010. Fiscal Impact: to be determined at the Finance Committee Meeting.
30. **Resolution 10-18, Extension of Time for Issuance of Up to \$63.0 Million Fixed Rate Capital Facilities Project Bonds and Related Legal Documents** – adopt resolution by all project participants extending the time of issuance of the Capital Facilities Project Bonds to February 28, 2010. Supporting documents will not be ready until after the Finance Committee meets on January 26, 2010. Fiscal Impact: to be determined at the Finance Committee Meeting.

INFORMATIONAL ITEMS

31. **Western GeoPower Project Update** – verbal status report.

CLOSED SESSION

The Commission may retire to Closed Session as described below. In accordance with The Brown Act, attendance is limited to one Commissioner per member, plus any essential support staff pertaining to the issue being discussed. Individuals who do not have an official role in advising the legislative body on Closed Session subject matters are excluded from Closed Session discussions.

32. **Conference with General Counsel** concerning existing litigation pursuant to Government Code section 54956.9(b) entitled California Refund Case, EL-00-95-045: PG&E v. AEP Corp. et al., E.D. Cal. No. 06-559; SDG&E v. AEP et al., E.D. Cal. No. 06-592; People of the State of California v. NCPA, Sacramento Superior Court no. 06AS02498.
33. **Conference with General Counsel** concerning potential litigation pursuant to Government Code section 54956.9(b): Two cases.

NEW BUSINESS

ADJOURNMENT